

EuroTeleSites

Today's Presenters



Ivo Ivanovski

**EuroTeleSites
CEO**



Lars Mosdorf

**EuroTeleSites
CFO**

1. Introduction to EuroTeleSites

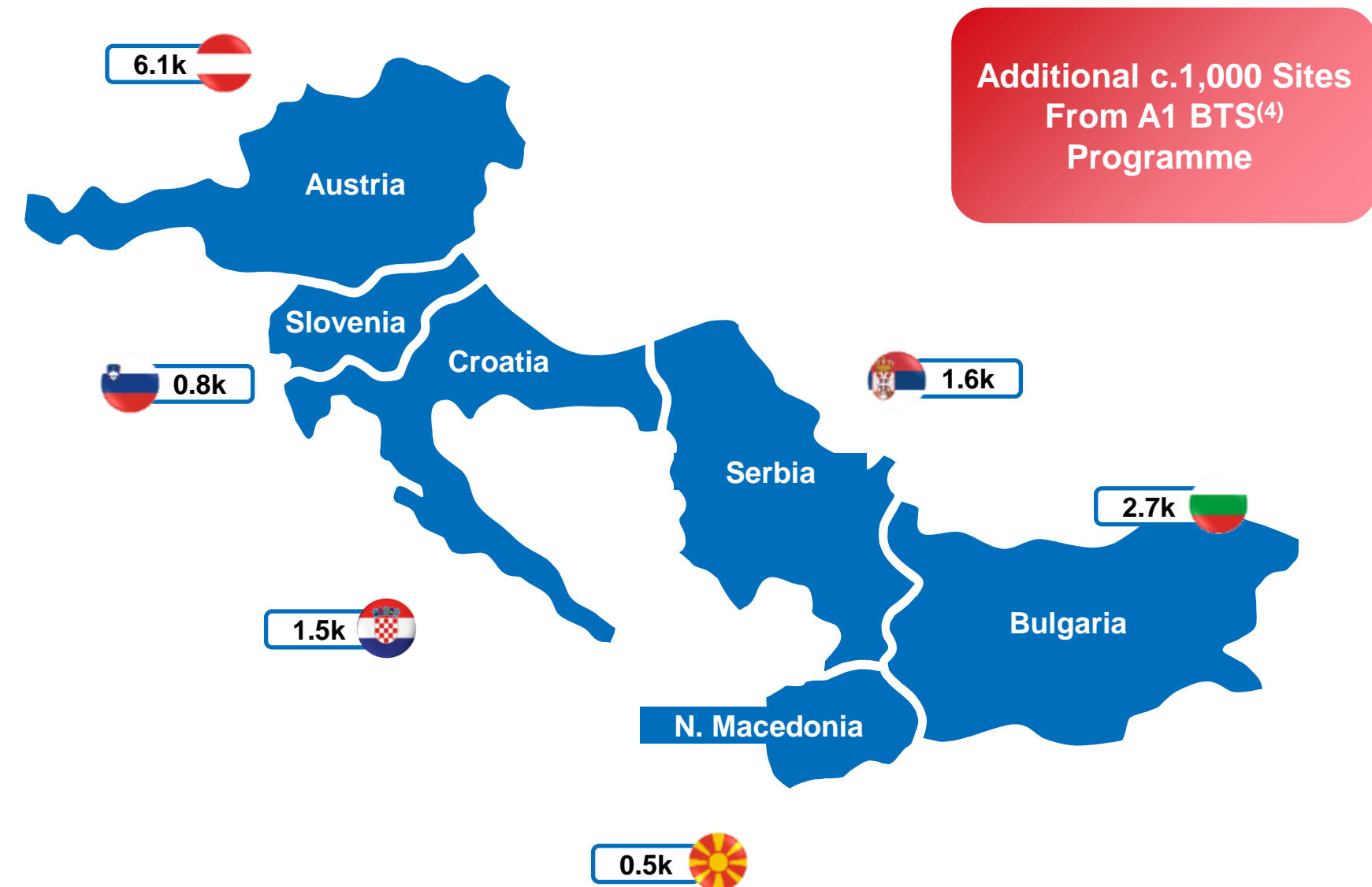



EuroTeleSites

EuroTeleSites: Leading European TowerCo

- **Leading European TowerCo** providing leasing of antenna and equipment space as well as power backup
- **Headquarters:** Vienna, Austria; **173 employees**⁽¹⁾
- **Credit Rating:** Baa2 (Moody's) BBB- (Fitch) ⁽²⁾
- **Anchor Lease Agreement:** Industry-standard, long-term agreement signed with A1 as anchor tenant
- **Business Model:** Strong, stable model offering significant visibility on reliable and growing revenue and cash flows
- **Financials (2022PF⁽³⁾):** Revenue of €232mn and EBITDAaL of €127mn
- **Financing in place:** €500m bond, €500m loan and €75m RCF

Strong Footprint: 13.2k Operating Sites in 6 Countries



EuroTeleSites will Enjoy the Support of Two Strong Shareholders



Ownership: 56.55%
Ratings: A- / Baa1 / A-

- **Overview:** America Movil (AMX) is Latin America's leading integrated telecom service provider, operating in 23 countries in the Americas (including Mexico, Brazil, and Colombia) and 7 countries in Europe (through Telekom Austria, c.57% owned subsidiary)
- **Highlights:**
 - **FY22 Rev / EBITDA⁽¹⁾:** \$43.5bn / \$17.0bn
 - **FY22 Net Leverage:** c.1.85x
 - **Current market cap:** \$58.9bn⁽²⁾



Ownership: 28.42%
Ratings: AA+ / Aa1 / AA+ (Govt of Austria)

- **Overview:** ÖBAG is an Austrian state-owned holding company. It has an active management approach and is focused on long-term value creation, with a goal to preserve and grow investments on behalf of all Austrians
- **Portfolio:** ÖBAG oversees 10 companies covering key Austrian industries with total value of €30.84bn as of 31 Dec 2022
 - **Telekom Austria** – #1 telecom operator in Austria
 - **Verbund** – #1 electricity provider in Austria
 - **Österreichische Post** – #1 postal service provider in Austria
 - **OMV** – multinational integrated O&G player

Strategic Importance of EuroTeleSites to AMX and ÖBAG

- ✓ **Long-term ownership:** AMX and ÖBAG subject to a 10-year shareholding agreement with a 5-year lock-up period
- ✓ **Symbiotic relationship:** A1 – AMX's long-term strategic subsidiary in EU, relies heavily on EuroTeleSites for its operations
- ✓ **Active involvement:** AMX to be involved in EuroTeleSites' financial policy, strategic decisions and day-to-day management
- ✓ **National champions:** Both A1 and EuroTeleSites are viewed as providers of key national telecommunication functions

Attractive Market, Robust Business and a Strong Platform

Attractive Market

- ✓ Attractive Economic Environment in Austria and CEE, a Strong Economic Region with 31 Million People
- ✓ Explosive Growth in Data Usage in Mobile Telecoms
- ✓ Significant Upside for Towers Market with New Applications
- ✓ Approximately 18% Tenancy⁽¹⁾ Growth Over Next 8 years

Robust Business and Financials

- ✓ Leading TowerCo in Austria and CEE
- ✓ Strong Anchor Tenant with Telco Market Leadership Positions
- ✓ Robust Targeted Revenue Growth of 4 to 6% p.a.
- ✓ Strong EBITDAaL Margins of over 55%⁽²⁾

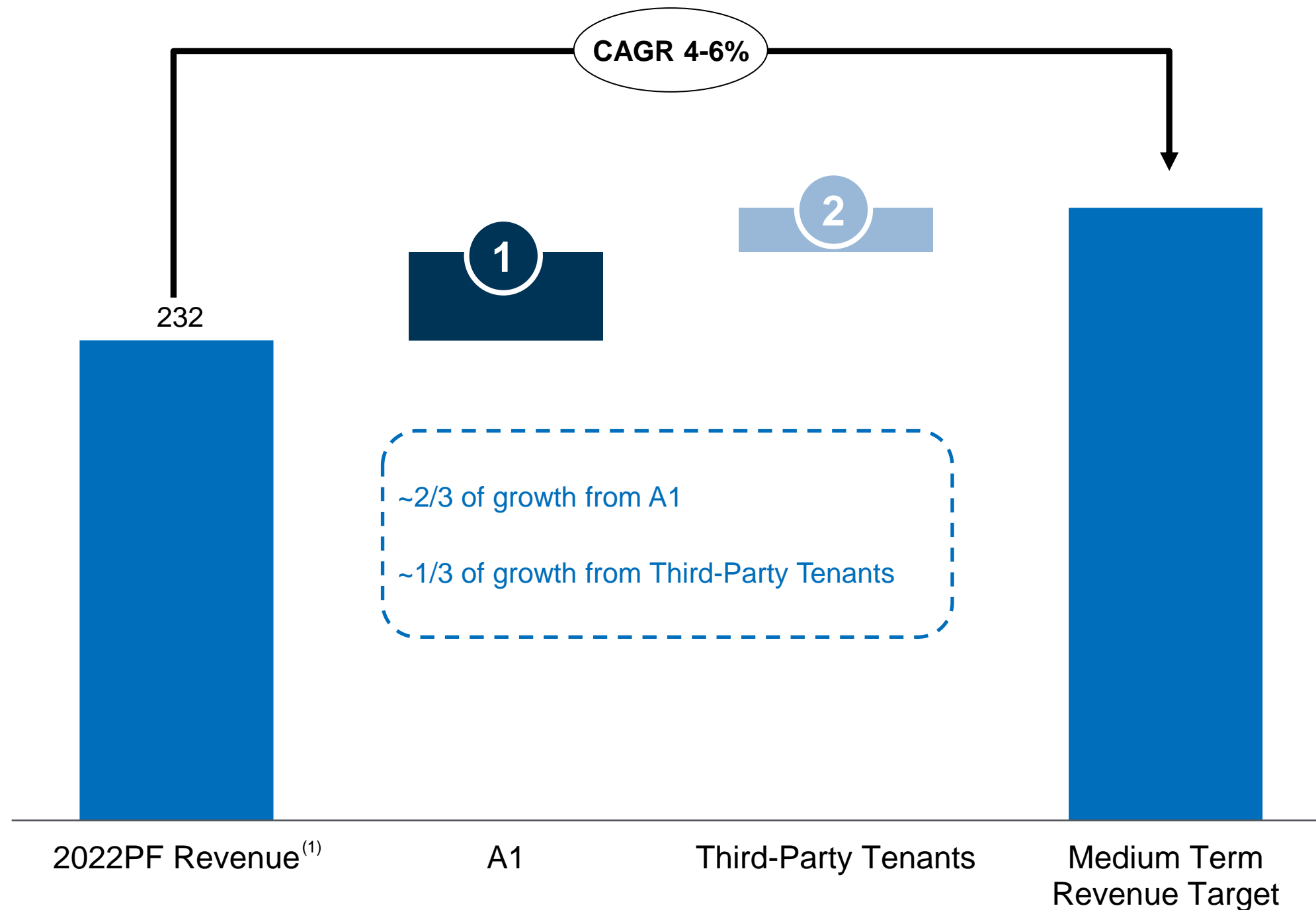
Strong, Well-Positioned Platform

- ✓ Highly Experienced Management
- ✓ Full Support of Two Strong Shareholders
- ✓ Investment Grade Rating
- ✓ Leading ESG Credentials with Further Improving Ecological Footprint
- ✓ Strong Platform to Drive Shareholder Value

EuroTeleSites: Building Europe's Digital Infrastructure

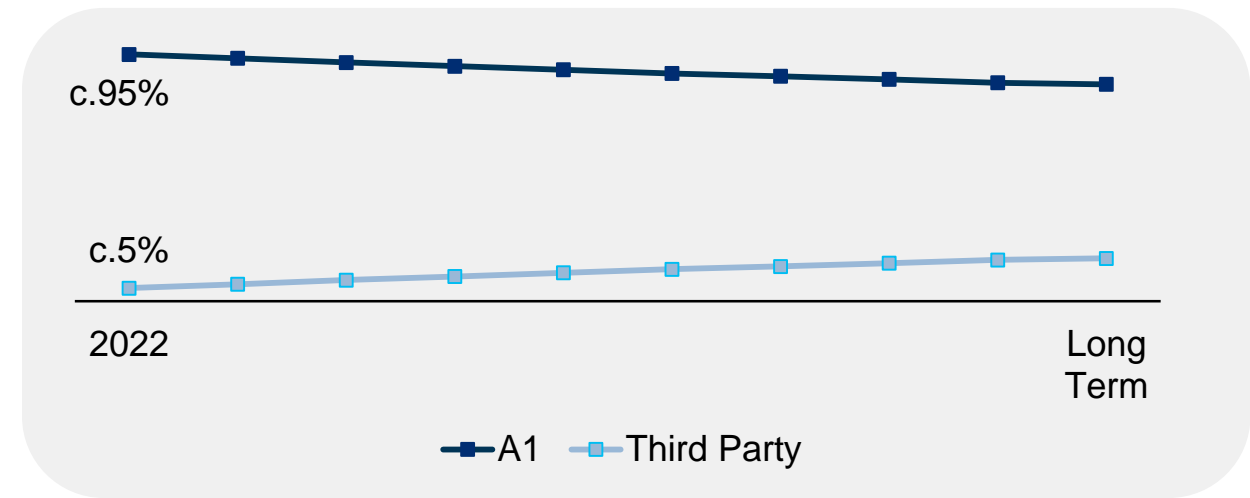
Strong Growth Trajectory Driven by both A1 and Third-Party Tenants

Revenue
(In €mn)



Long-term Management Targets

Revenue Contribution by Tenant: Growing Diversification



1 Anchor Tenant A1

- + Additional c.1,000 new BTS Sites
- + Network densification and coverage expansion
- + 5G Upgrades

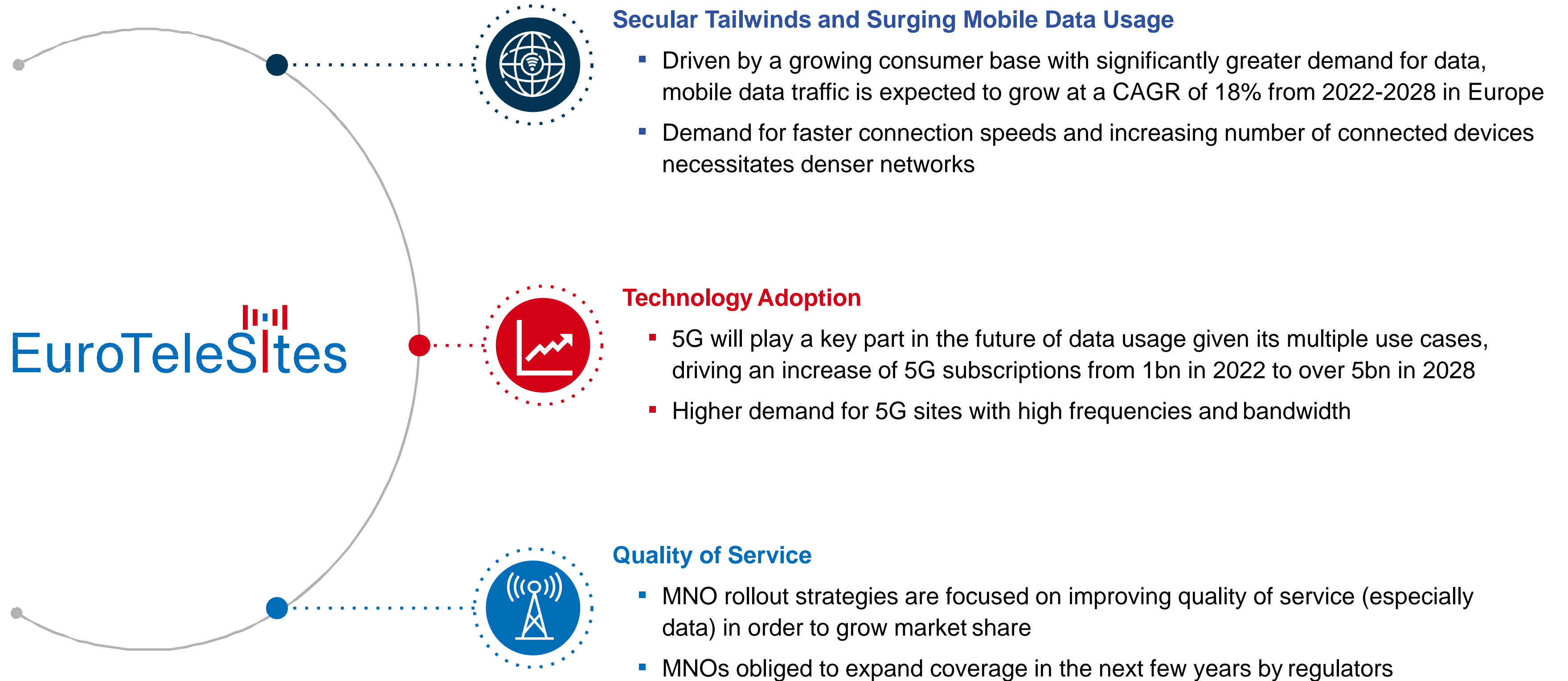
2 Third-Parties

- + Additional 1,200 to 1,500 new tenancies
- + New MNOs tenants



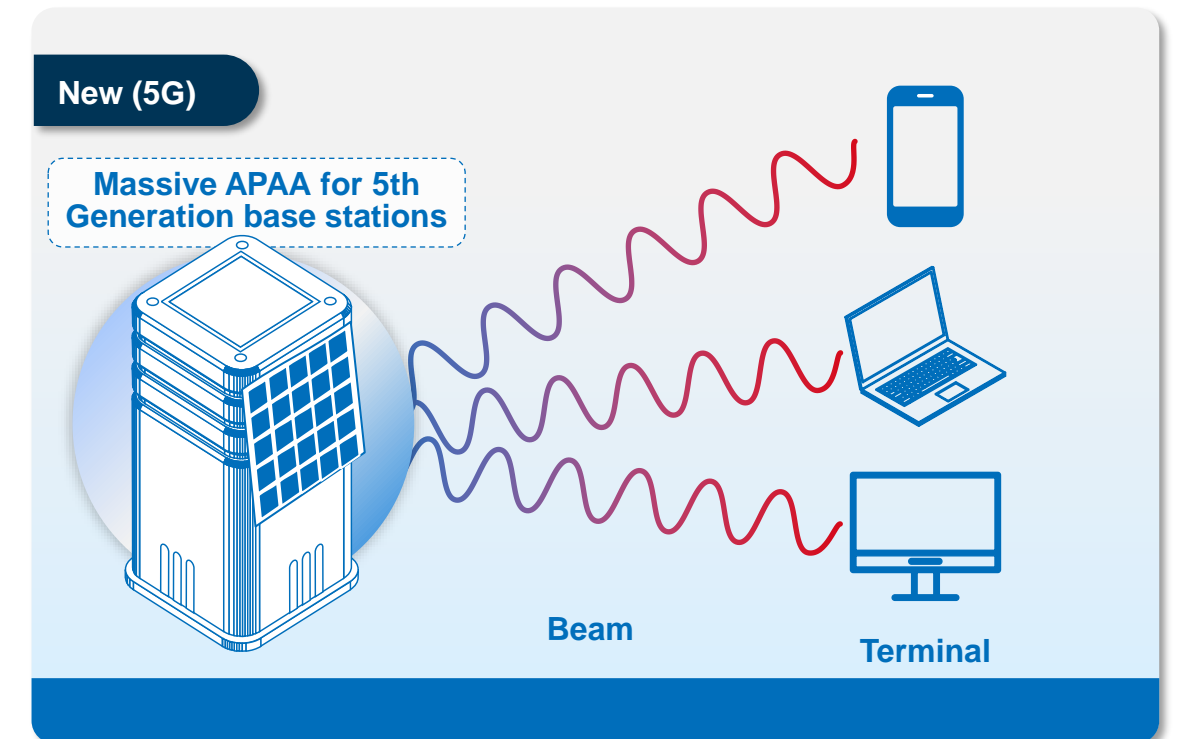
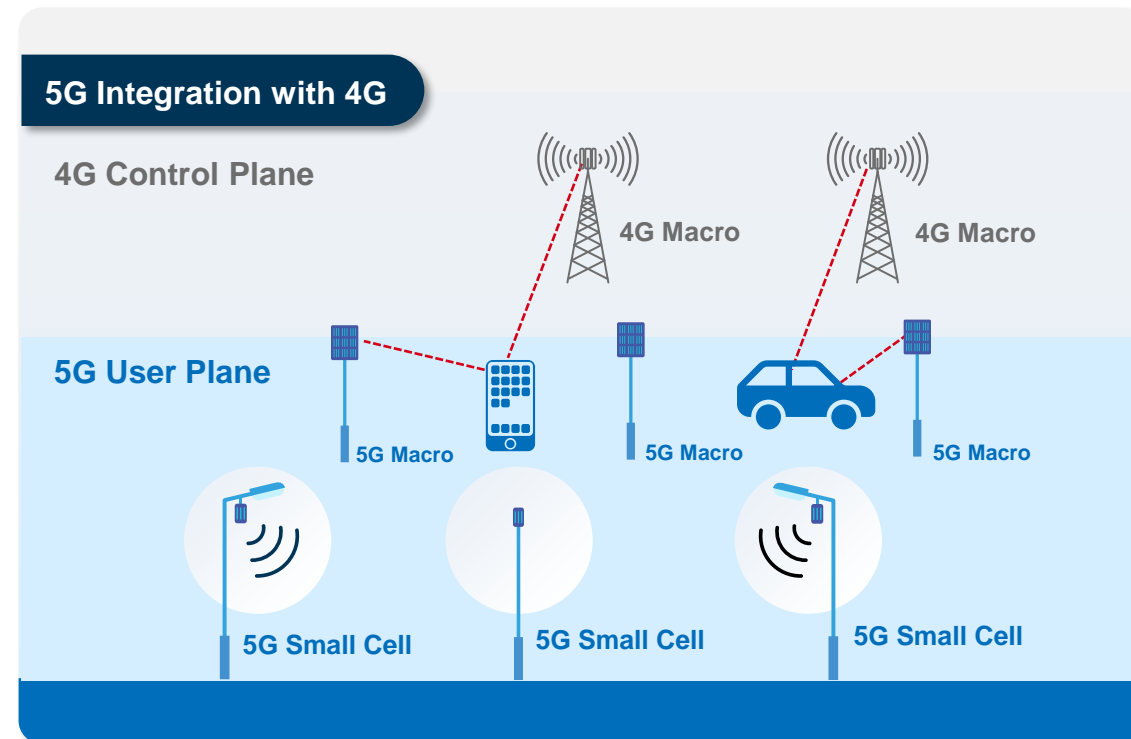
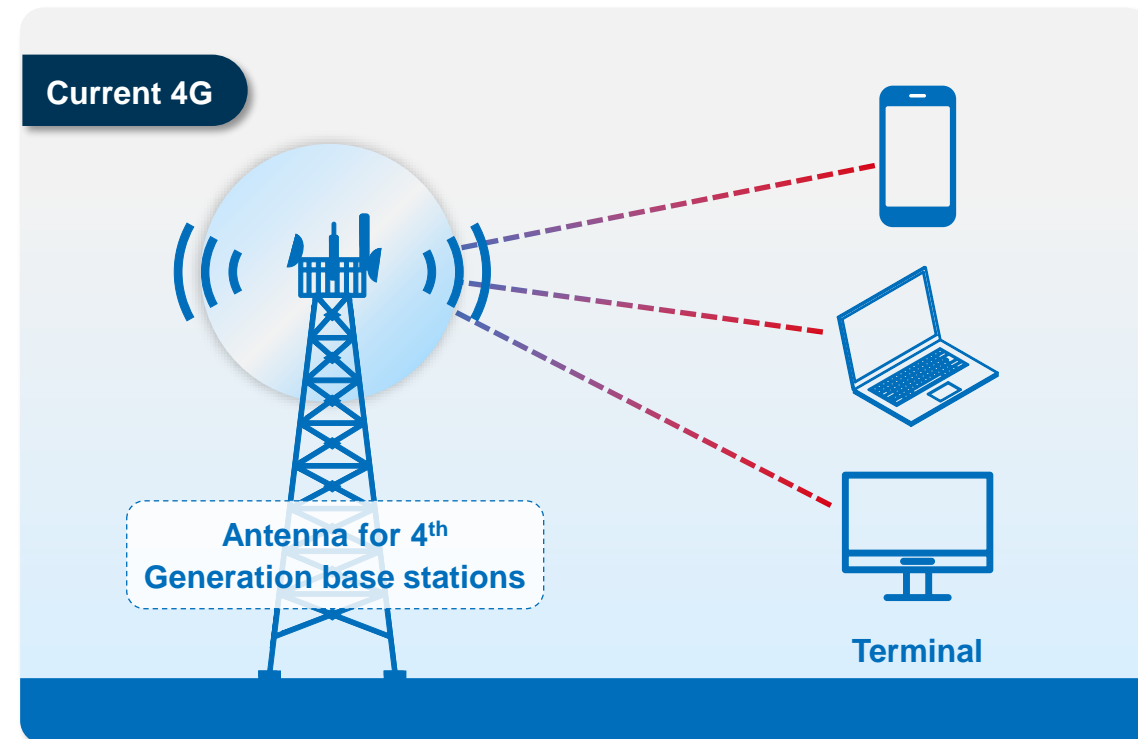
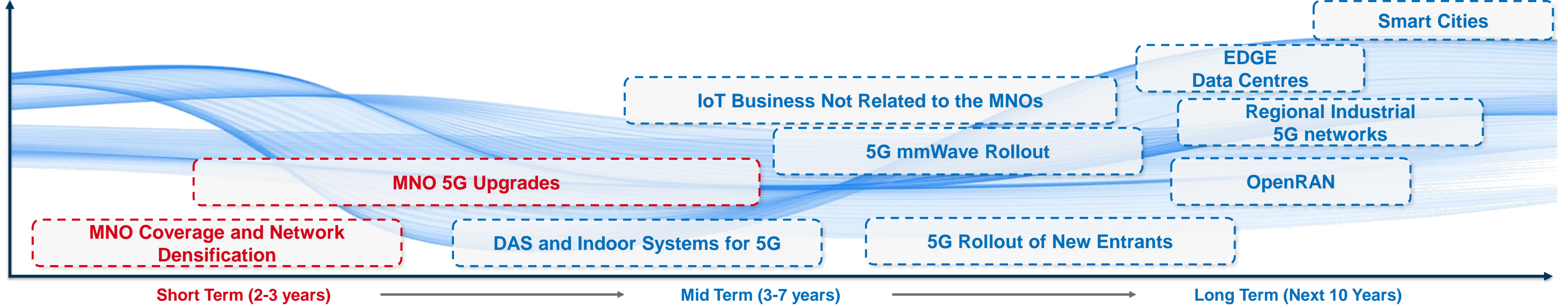
2. Key Investment Highlights

Clear Drivers of Growth for the Mobile Telco Sector



Future Growth Potential

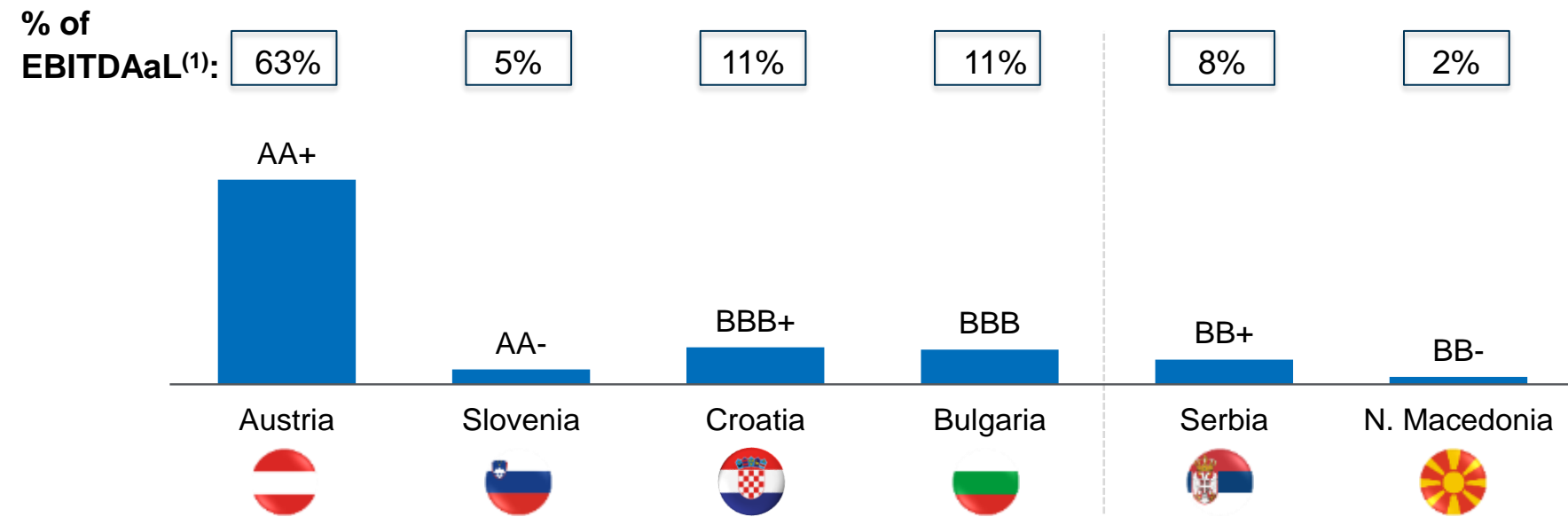
Digital Maturity



Favourable Macro Development Across EuroTeleSites' Footprint

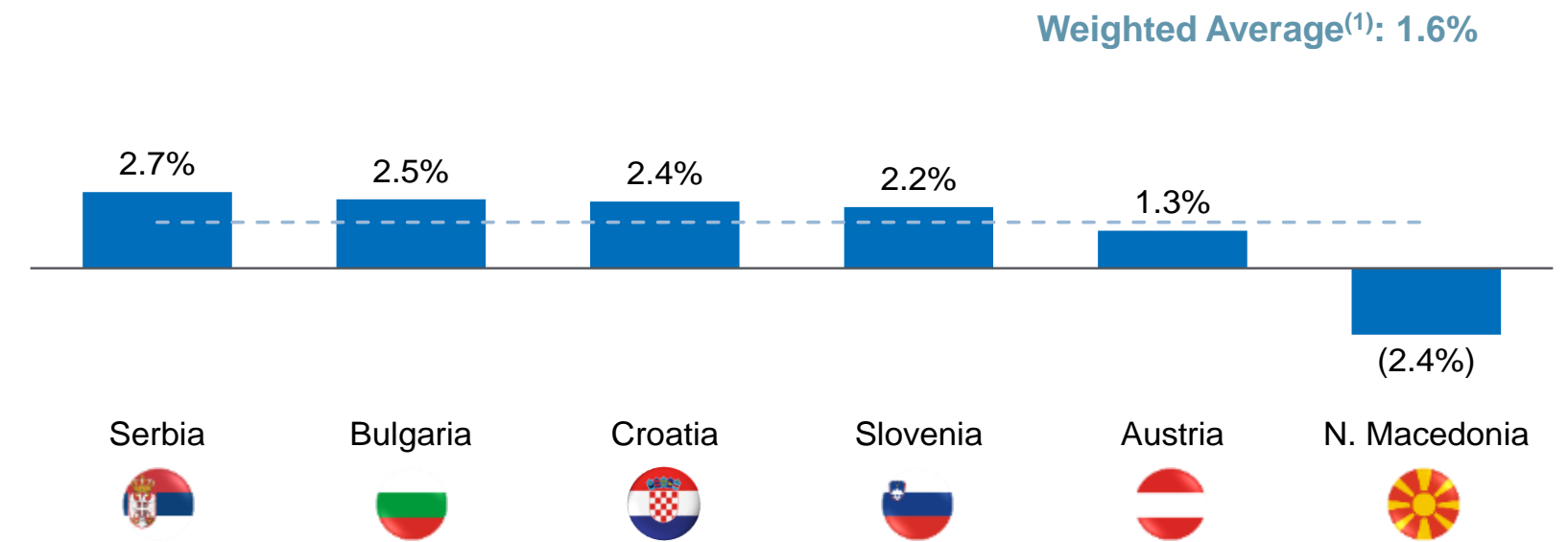
90% of EBITDAaL in IG-Rated Countries

(EBITDAaL contribution; S&P Country Credit Rating)



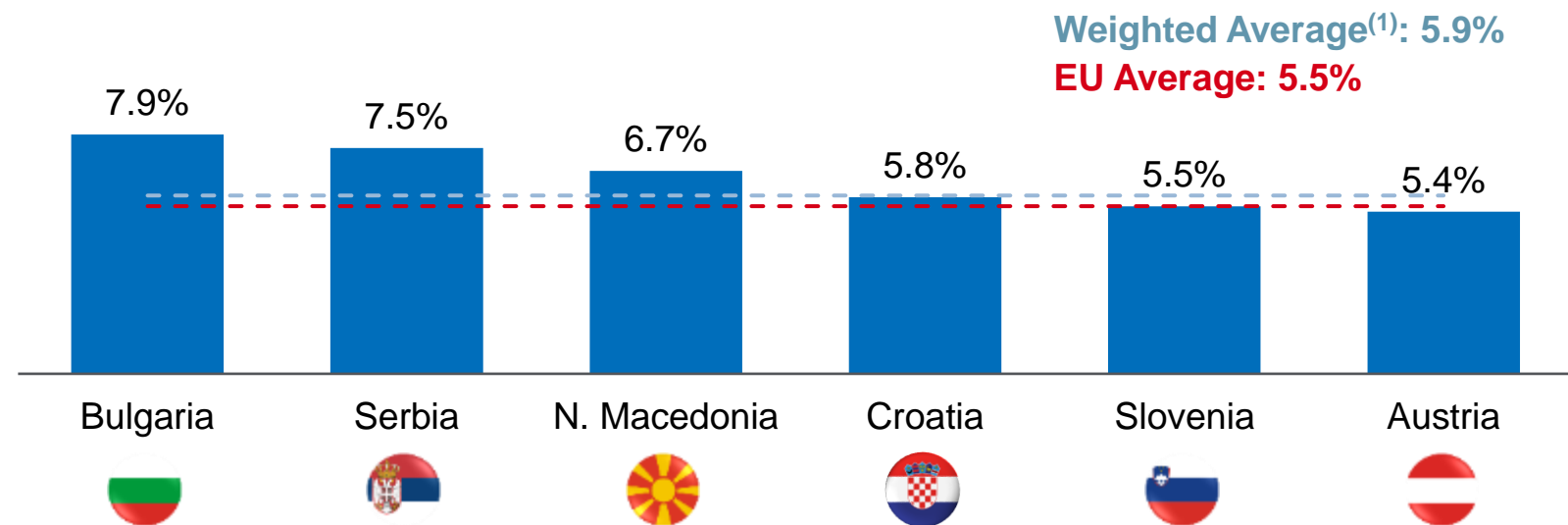
Positive Economic Growth Across Footprint

(Real GDP Growth 2022-2025 CAGR)



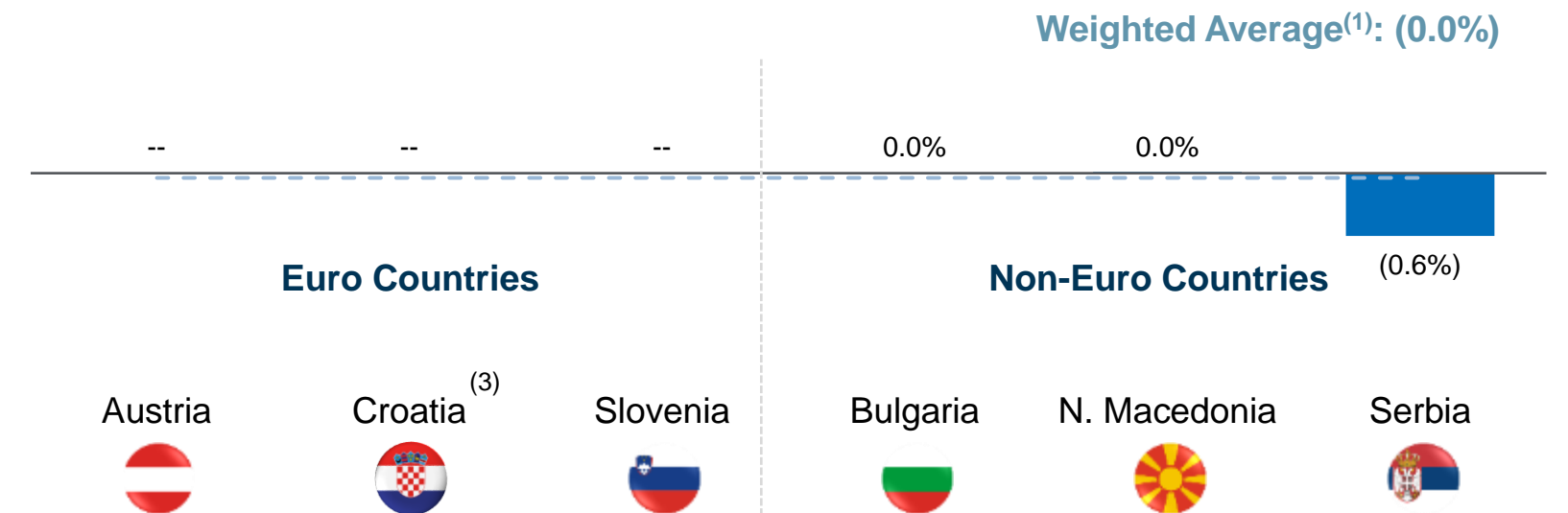
EuroTeleSites' Footprint Expected to Show Moderate Inflation

(Average inflation 2022-2025)



Limited Currency Risk Limited to Cost with Most Revenue in Euro

(Average L3Y Appreciation (depreciation) vs €)⁽²⁾

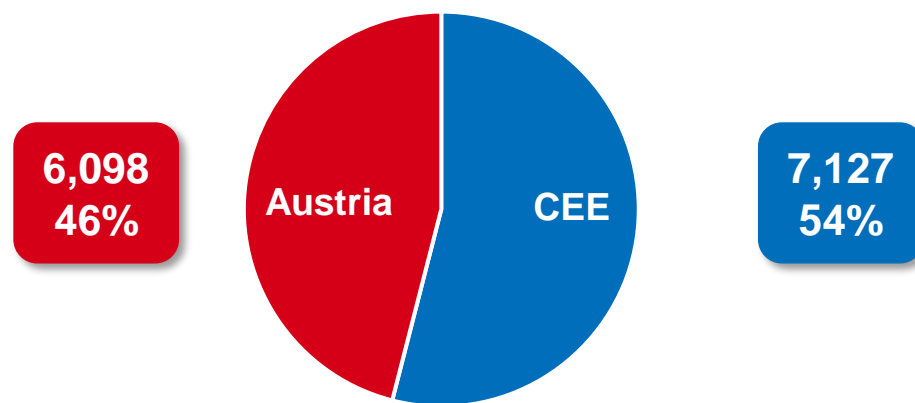


Leading Tower Operator Across Austria and CEE

EuroTeleSites is present in 6 European markets, 88% of which are in countries where EuroTeleSites is first or second in the market.

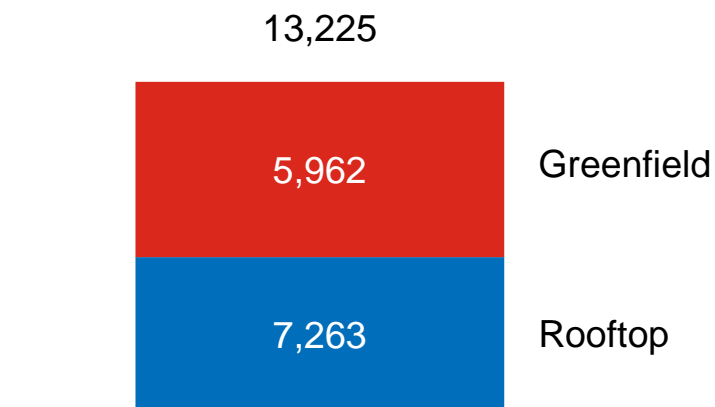
Towers by Geography

(# towers, % of towers as of 30 June 2023)



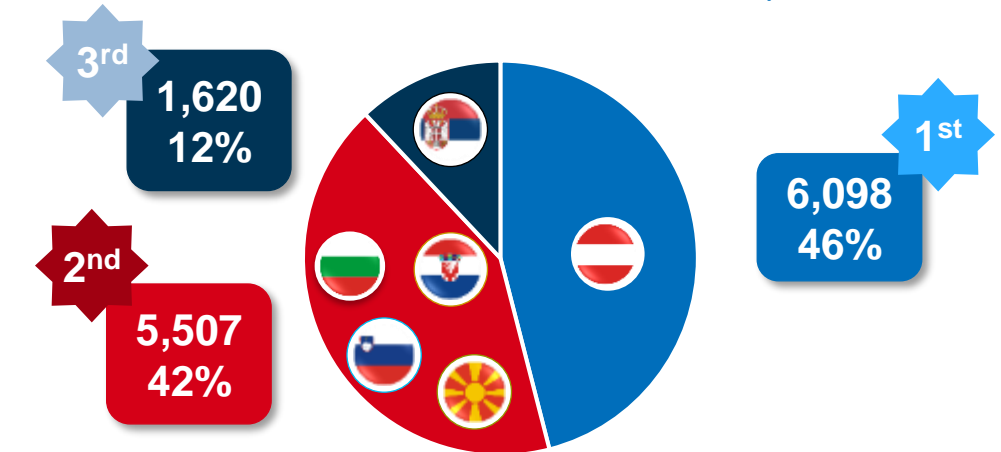
Towers by Type

(# towers, by type as of 30 June 2023)



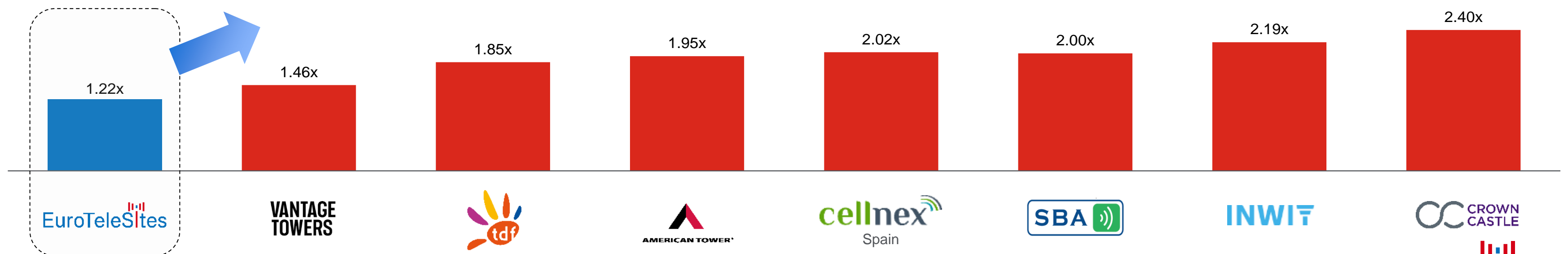
Towers by Market Position

(# towers, % of towers as of 30 June 2023)



Potential for Significant Growth Resulting From Headroom in Towers Utilisation Rate

(Tenancy Ratio)⁽¹⁾



Highly Experienced Management Team



Ivo Ivanovski

CEO, EuroTeleSites

- 19 years' industry experience
- Management/executive experience with A1 Telekom Austria Group, and at international institutions, such as UN-GAID⁽¹⁾



Lars Mosdorf

CFO, EuroTeleSites

- 16 years' infrastructure experience
- Management/executive experience inter alia with Fraport AG, and Düsseldorf Airport (national and international)



Gernot Rasch

**Country Manager Austria,
EuroTeleSites**

- 19 years' industry experience
- Management/executive experience with A1 Group/Austria, A1 North Macedonia, A1 Croatia, and FL1 Liechtenstein



Gerhard Partl

**Group Finance Lead,
EuroTeleSites**

- 20+ years' industry experience
- Management experience with A1 Austria and Telekom Austria Group

3. Business Overview

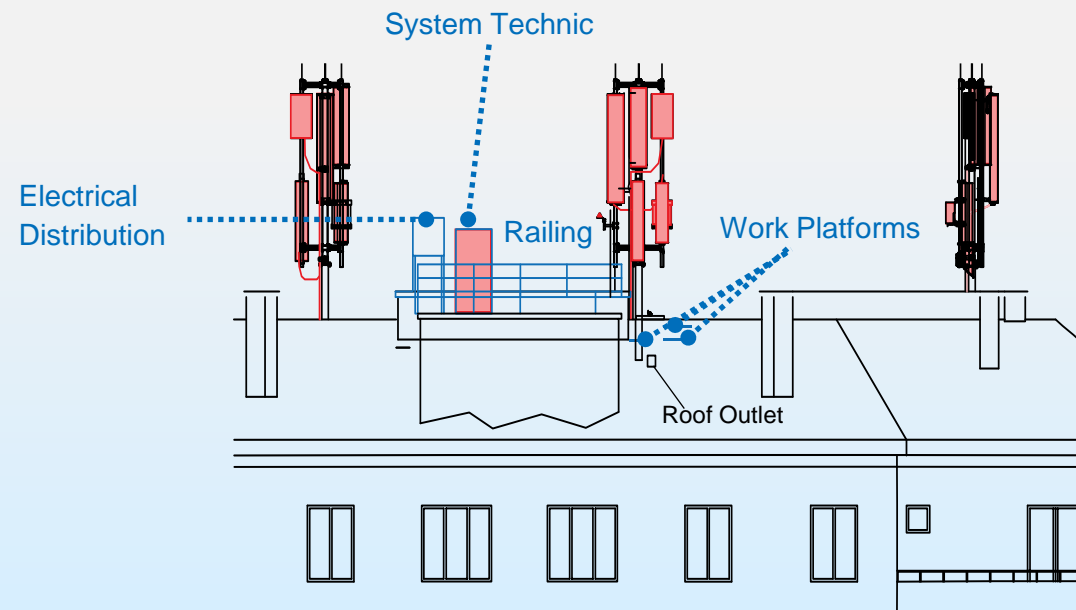
Focused Strategy Permeates Through the Core

Our journey: From legacy telco cost center towards a customer-orientated business



Split of Responsibilities between EuroTeleSites and Tenants

Example: Rooftop



Core Services



Space



Maintenance



EMF Support

Additional Services



Built-To-Suit

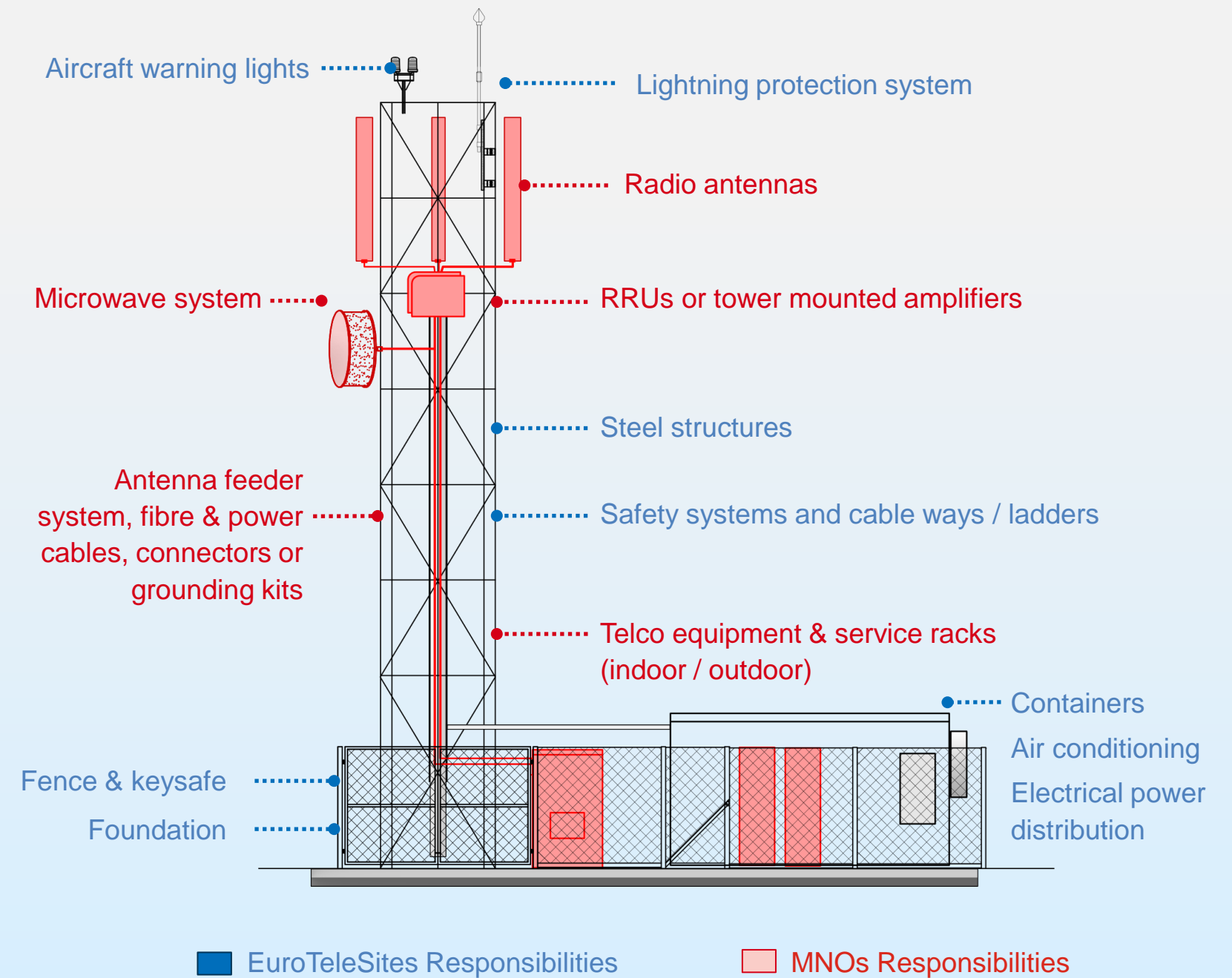


Upgrades

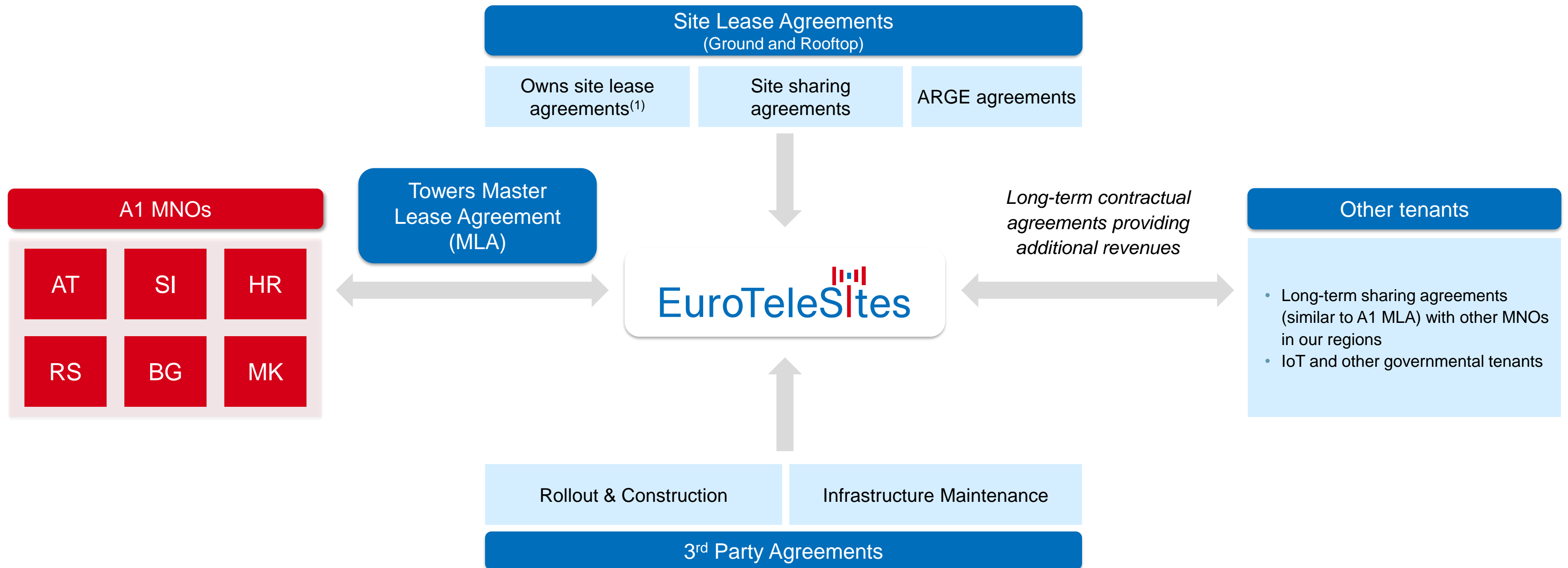


Energy

Example: Greenfield



Example Structure: EuroTeleSites and A1



Strong Anchor Tenant with Market Leadership Position

A1 is the leading telecoms provider in Austria and CEE, serving c.27mn customers with largely converged services.



- Incumbent operator in Austria and one of the leading converged providers in CEE
- **Headquarters:** Vienna, Austria
- **Stock Exchange:** Wiener Börse (Vienna Stock Exchange)
- **Wireless Subs / RGUs:** 23.9mn / 6.2mn ⁽¹⁾
- **Revenue:** €5.0bn ⁽¹⁾
- **EBITDA:** €1.8bn ⁽¹⁾
- **Credit Ratings:** A- / Stable at S&P
Baa 1 / Stable at Moody's
A- / Positive at Fitch

Highly Valuable Long Term Partnership with A1



Long-term Contract

- An attractive, market-standard and arms-length MLA will regulate the commercial and operational relationship between A1 and EuroTeleSites on a long-term basis



Anchor Fee

- At arms-length and denominated in local currency across footprint
- Non-discriminatory Colo fee across footprint



Indexation

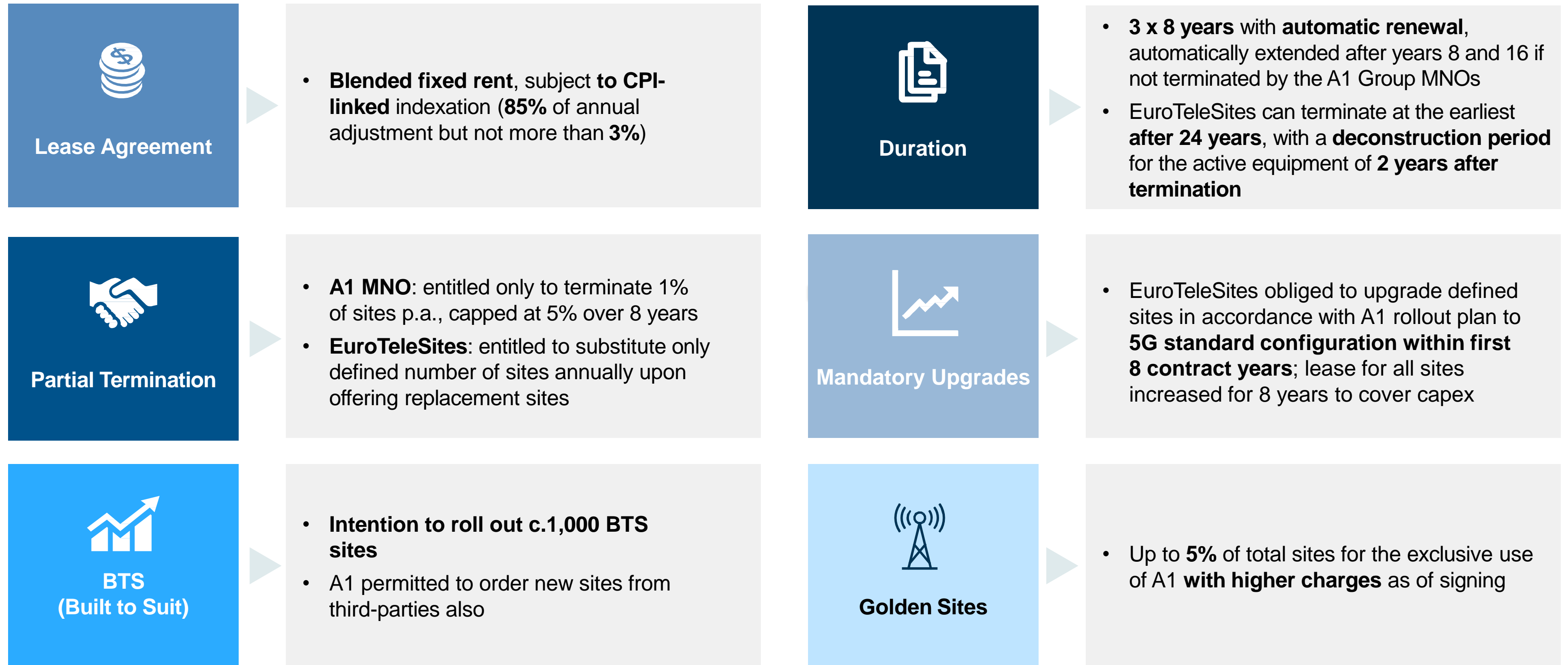
- Linked to local CPI across footprint with market-standard caps to protect both EuroTeleSites and A1



BTS







- Mutual intention of A1 and EuroTeleSites to roll out c.1,000 new BTS sites in the next 5 years

MLA Between EuroTeleSites and A1 Group MNOs



Diversified Customer Base Outside of MNOs

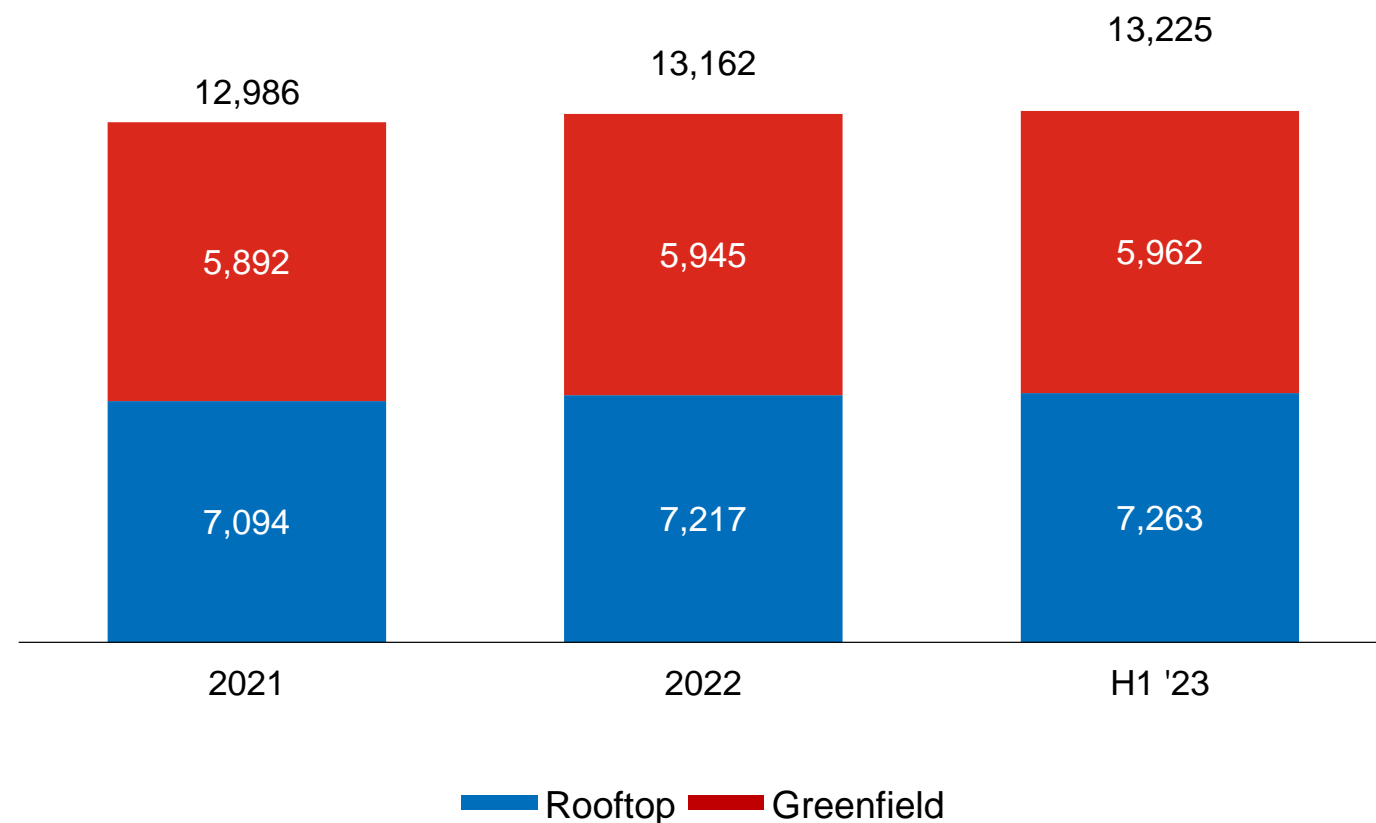
Non-MNO portfolio

	% total tenancies ⁽¹⁾	Countries
Government use or public radio systems	67%	
Utilities & public companies	11%	
Broadcasters (TV/Radio)	7%	
Alternative Telcos	6%	
IoT	2%	
Others	6%	

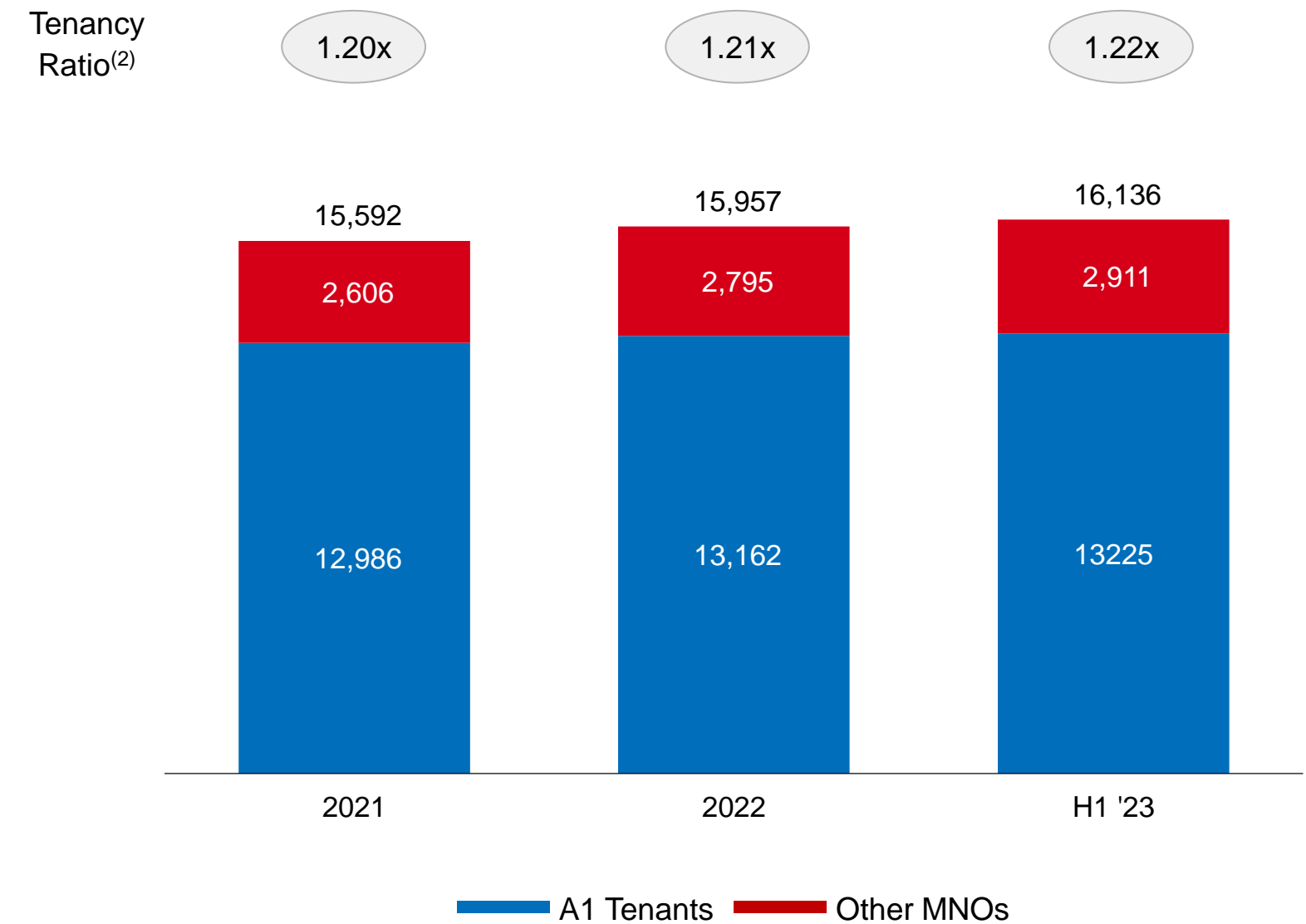
- **Expected** to experience **significant growth in non-MNO market** by bringing new potential customers
- **Approx. 70%** of EuroTeleSites non-MNO portfolio is in **Austria, a key market** given spectrum
- **Government** use and **public digital** radio systems providers represent **2/3 of the non-MNO portfolio**
- **Potential for growth** in private sector – 5G related business development in **non-MNO companies and potential private networks**
- **High potential for non-MNO customers** on rooftop sites due to **no or very low investment requirements**

Towers and Tenancy Evolution: Targeting a Tenancy Ratio of 1.44x

Towers Development



Tenancy Development⁽¹⁾

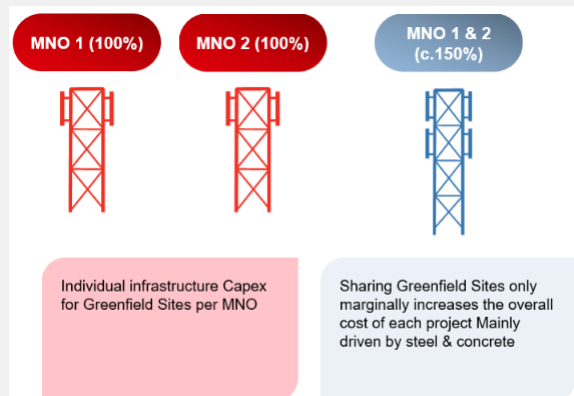


Snapshot of Our Unwavering Commitment to ESG



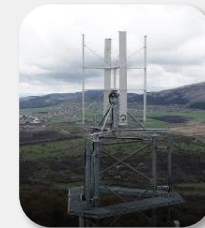
Ecology

- Reduce the ecological impact via infrastructure sharing
- **During Construction**
 - ✓ Reduction of soil sealing
 - ✓ Protection of the landscape
 - ✓ Less steel and concrete used
 - ✓ Capex & CO2 savings
- **During Site Use**
 - ✓ Reduction of infrastructure maintenance due to fewer site visits and less material use
 - ✓ Less energy used due to shared components (e.g. cooling if necessary)
 - ✓ Capex & CO2 savings



Supply Chain

- Introduction of sustainable and efficient site power solutions, e.g. vertical windturbines (trial), supporting solar systems and autonomous site solutions
- Drive supply chain transparency and responsible reporting
- Collaborate with suppliers and stakeholders for sustainable outcomes
- Enforce high supplier standards along the value-chain
- ESG criteria included in supplier qualification



Vertical Windturbines (Trial)



Autonomous Site Solutions



Supporting Solar Systems



HR and Diversity

- Diversity is our everyday lifestyle
- Employees from 10 nationalities in different functions have worked together in 6 countries and different languages for years
- Workplace flexibility allows for work to be done regardless of time and location
- Collaboration and knowledge-sharing across disciplines
- 35% of overall employees and 30% of team lead functions are female



Governance

- Top-rated Supervisory Board with 10 Members (Aufsichtsrat)
- Management obliged to prioritise the best interests of EuroTeleSites
- Seasoned Management team with extensive expertise retains day-to-day control
- Transparent KPIs directly linked to EuroTeleSites' performance
- Well-defined contractual framework governing interactions with A1 MNO

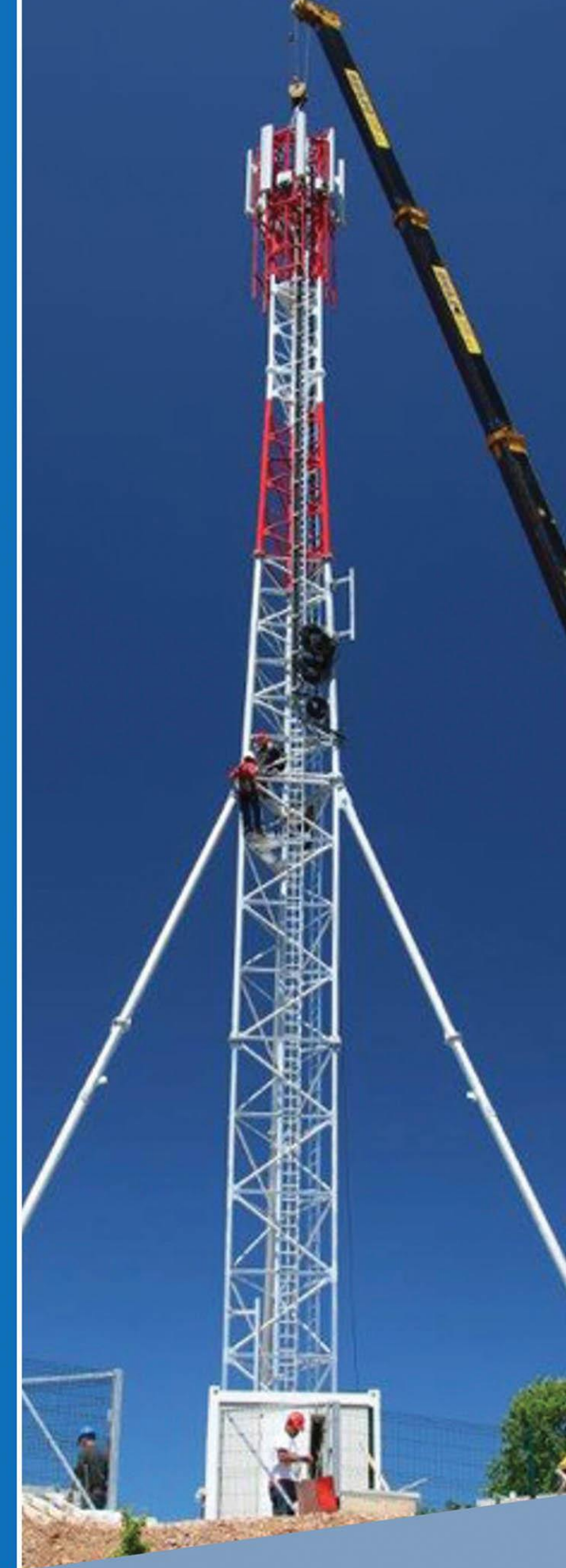


Work Safety

- Regular risk assessment
 - Annual height suitability checks for climbers
 - Extensive height workshops
 - Annual suitability equipment checks
- **No fatalities in the last 5 years**
- Training on health & safety protocols
- Safety measures & precautions
- Safety equipment & resources
- Emergency response plans

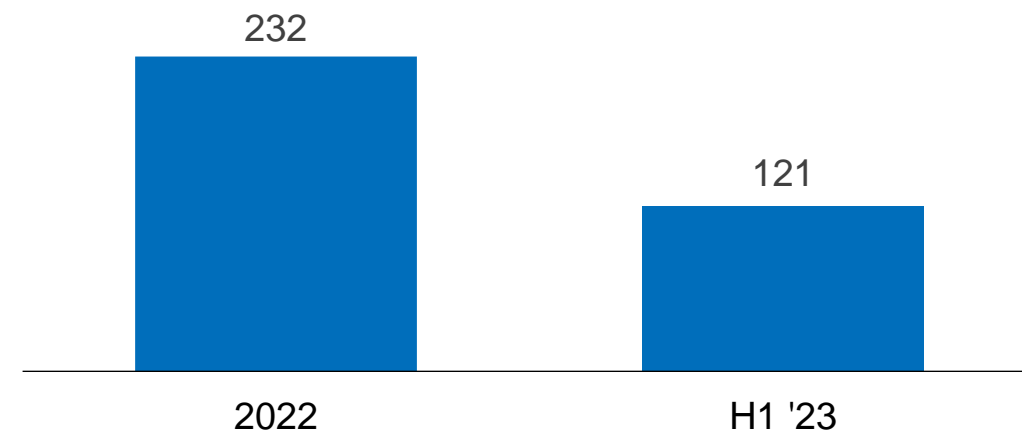


4. Financial Overview

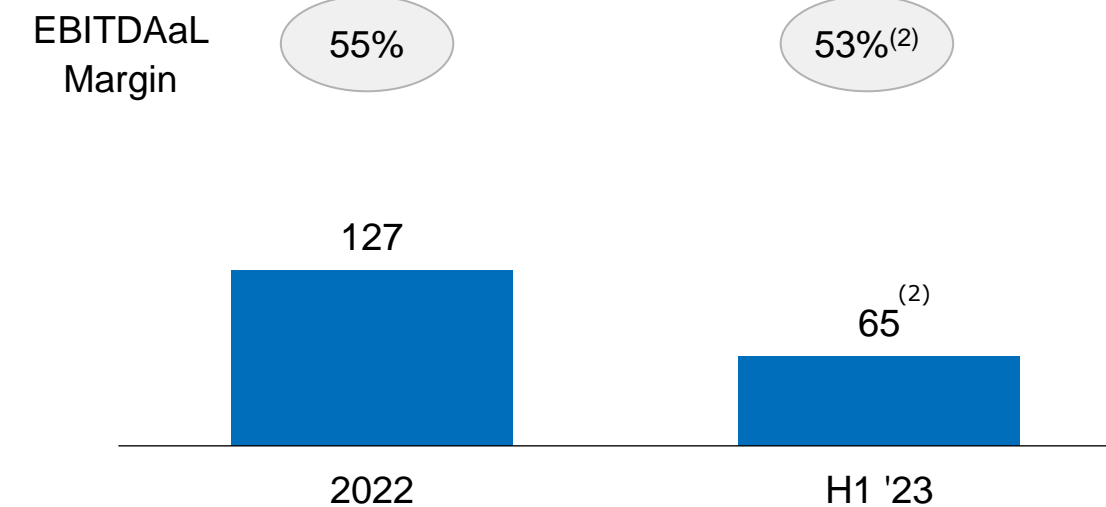


EuroTeleSites – an Attractive Investment with Value Creation From Day 1 and Growth Potential in the Medium and Long-term

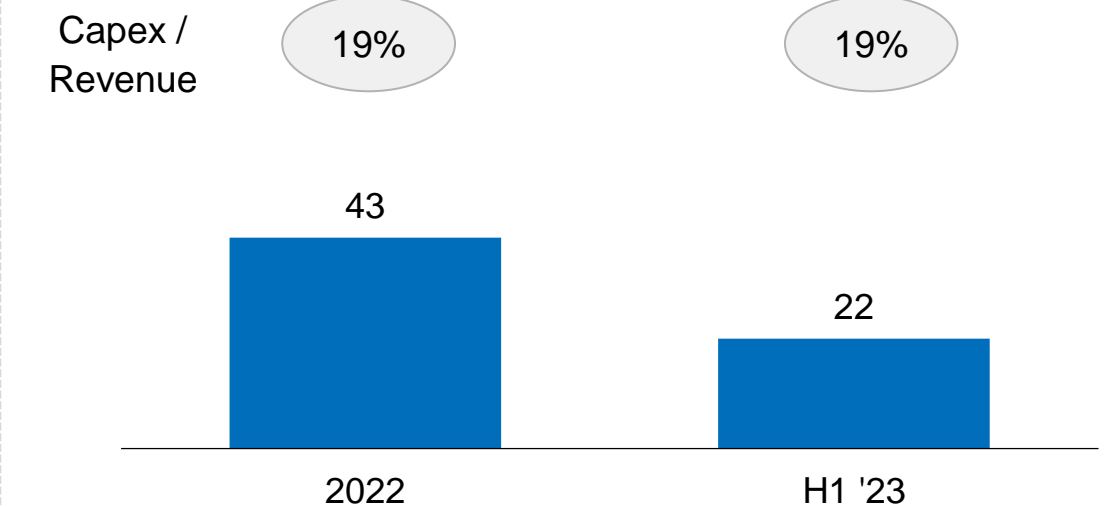
Revenue
(€mn)



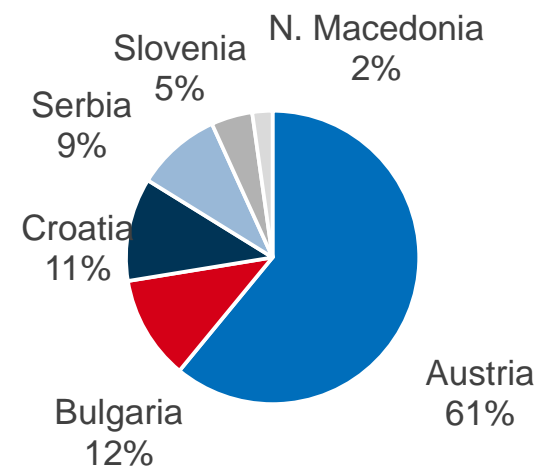
EBITDAaL
(€mn)



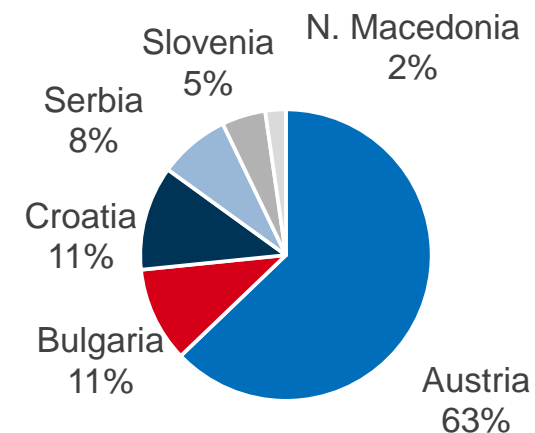
Capex
(€mn)



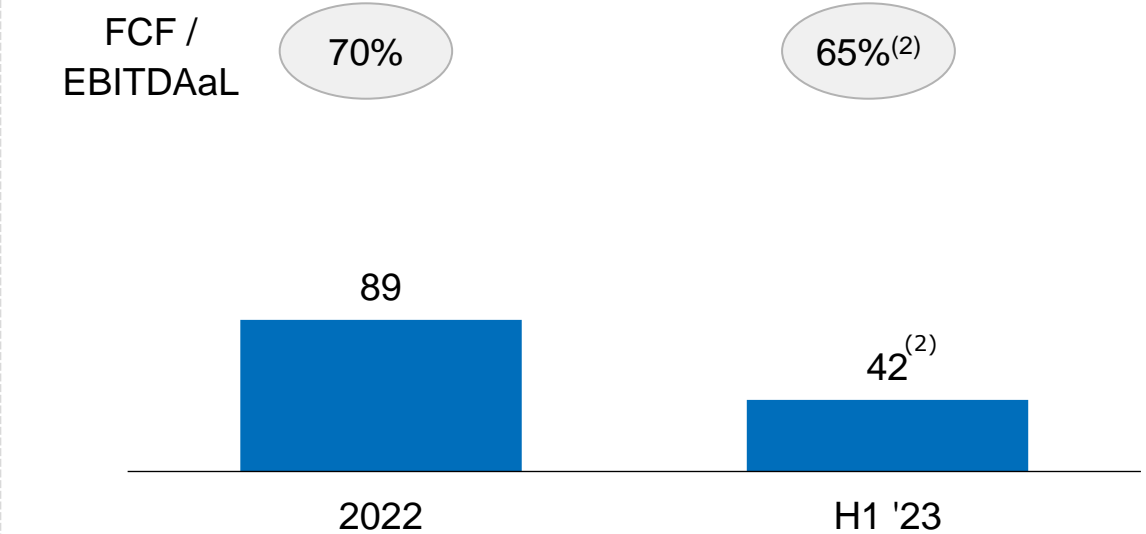
Revenue Split
(2022PF)



EBITDAaL Split
(2022PF)



Free Cash Flow⁽¹⁾
(€mn)

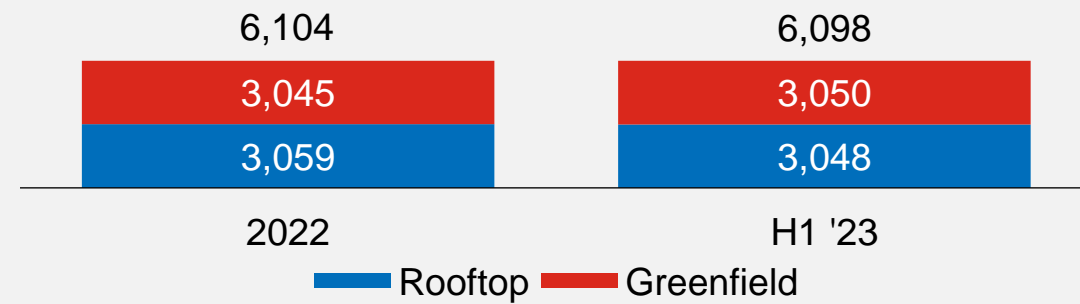


Austria: Key Operating & Financial Metrics



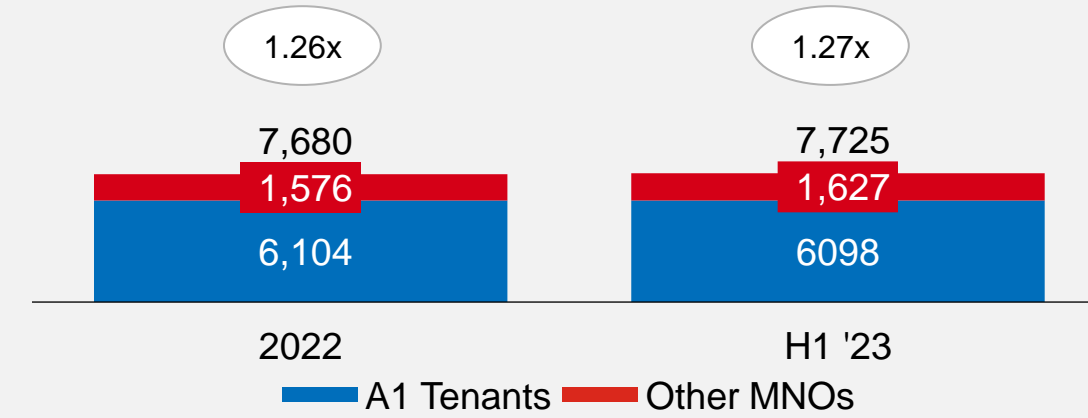
Operating Metrics

of Towers



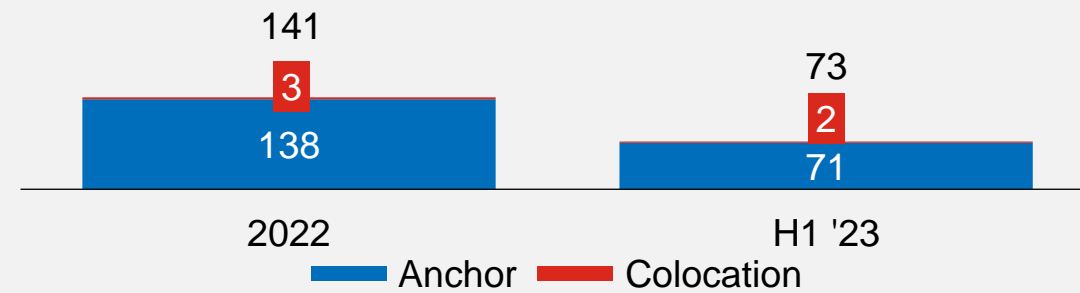
of Tenants

Tenancy Ratio

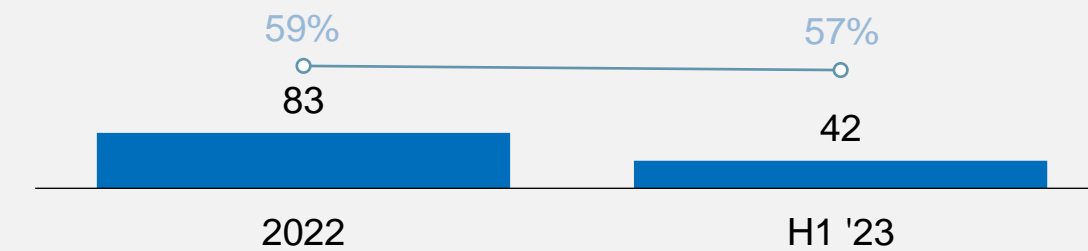


Financial Metrics

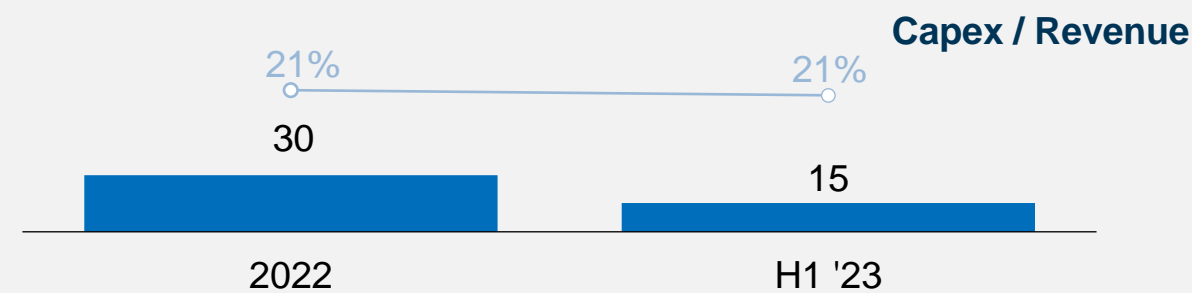
Revenue (€mn)



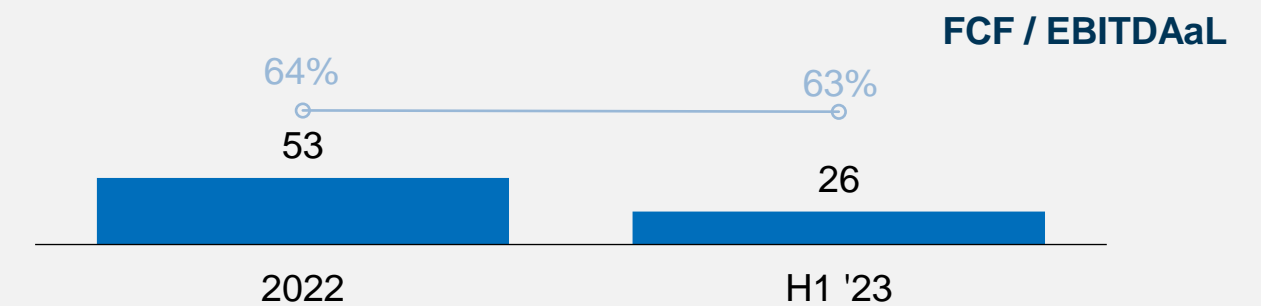
EBITDAaL (€mn)



Capex (€mn)



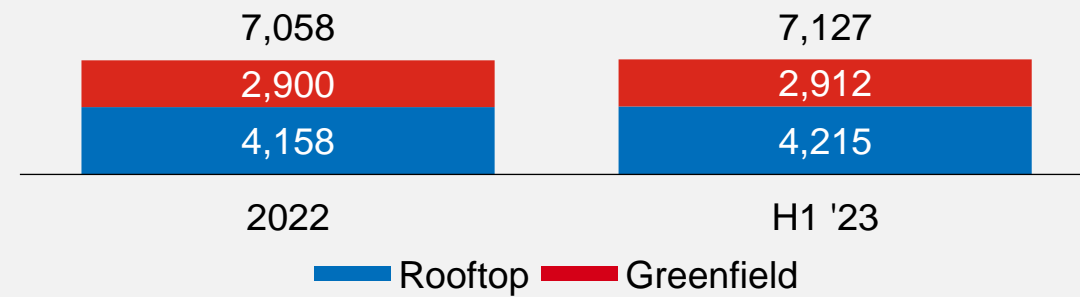
Free Cash Flow⁽¹⁾ (€mn)



International: Key Operating & Financial Metrics

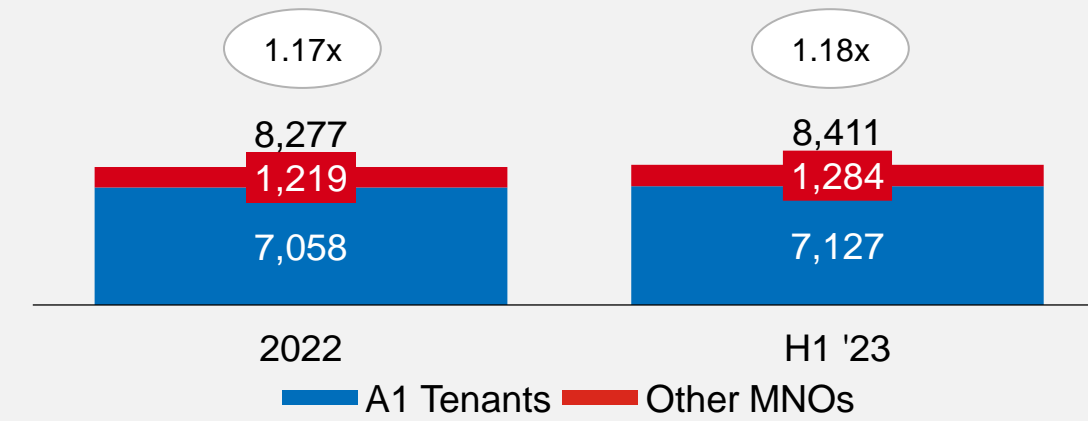
Operating Metrics

of Towers



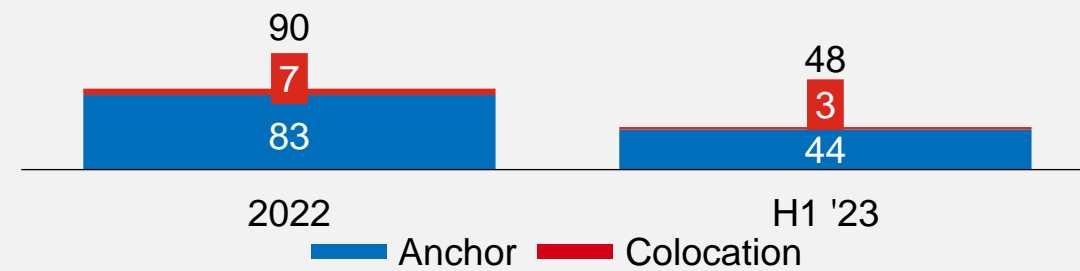
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Tenancy Ratio

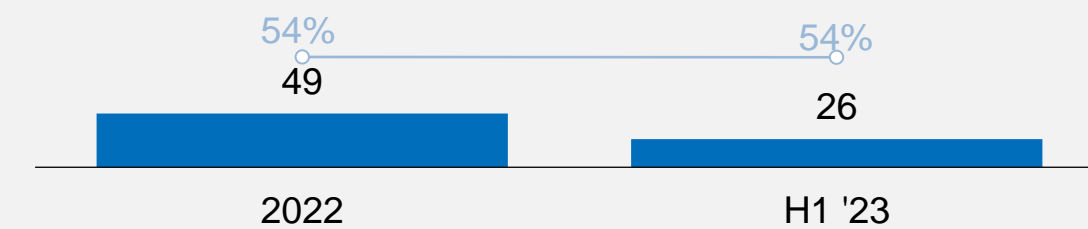


Financial Metrics

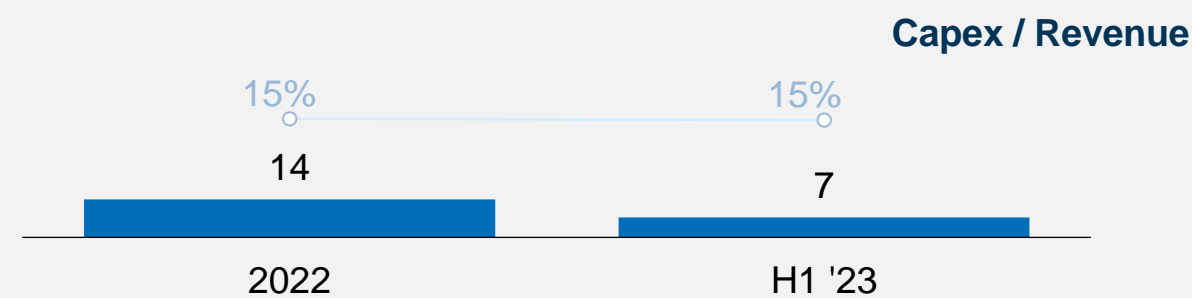
Revenue (€mn)



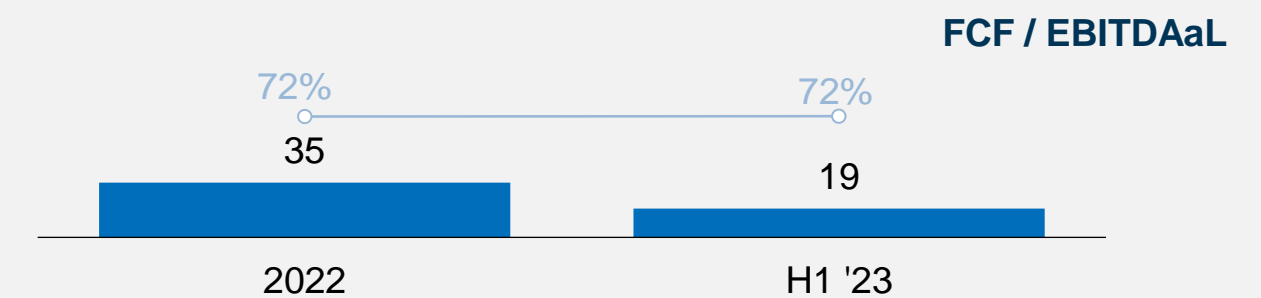
EBITDAaL (€mn)



Capex (€mn)



Free Cash Flow⁽¹⁾ (€mn)



Financial Policy: Focus on Deleveraging in the First Four Years

Liquidity

- EuroTeleSites is fully committed to a prudent financial policy focusing on liquidity risk management
- Debt of €1bn currently held by A1 to be refinanced via a mix of instruments:
 - €500mn 5-year bullet loan issued on 9 June 2023 and drawn on 21 July 2023. The interest rate is based on EURIBOR plus an applicable margin
 - €500mn 5-year bond issued on 13 July 2023 at 5.25%
- Although the company – by the nature of the tower business – will have predictable and stable cash flows, the company has entered into a backstop facility (RCF), amounting to €75mn serving as a liquidity reserve

Leverage & Dividend Policy

- EuroTeleSites has an Investment Grade rating and is committed to maintaining this
 - Currently rated as Baa2 by Moody's and BBB- by Fitch⁽¹⁾
- Capital expenditure and shareholder distribution policy will aim to support this Investment Grade profile
- Company launch with Net leverage⁽²⁾ of c.7.6x pre-IFRS for 2023 and c.5x in the medium term
- Commitment for no dividends for the first four years

Medium Term Guidance Supported by Highly Visible, Predictable and Stable Cash Flows

Revenue Growth

- Expected to be 4-6% each year
- Two thirds is expected to come from A1 and the remaining one third is expected from third-parties

Free Cash Flow

- Positive for the next four years and beyond
- Working capital outflows are expected to be negligible

EBITDA / EBITDAaL

- Margin expansion over the next 4-5 years starting from a high EBITDA margin of 87% and a high EBITDAaL margin of 55% in 2022

Leverage⁽¹⁾

- Company launch with c.7.6x (year end 2023)
- Mid-term target of around 5x (targeted to reach this level within 4 years)

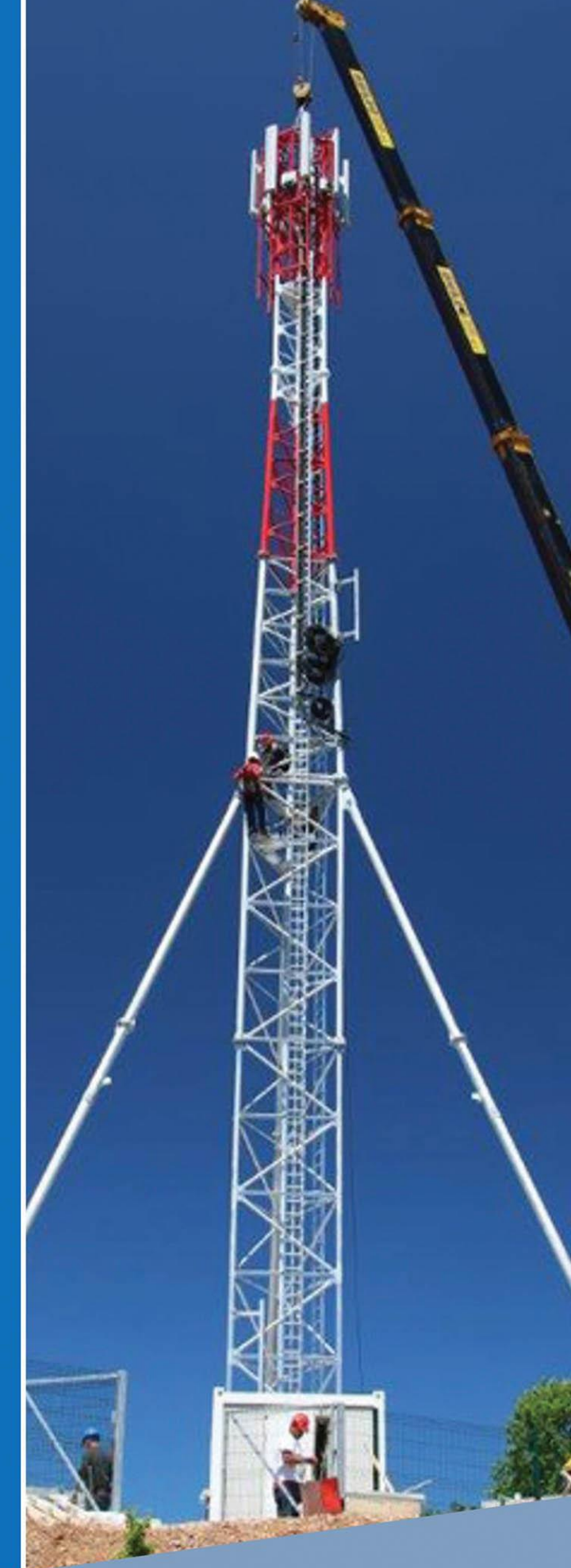
Capex

- Annual average capex of ~€60mn (c.20% of revenue) according to the 5-year plan which is front-loaded (incl. maintenance capex)
- Maintenance capex of c.3% of revenue

Dividends

- Commitment not to pay dividends for the first four years given focus on leverage reduction

5. Conclusion



Key Takeaways

1

- **Surging demand for data** in Austria and CEE driven by new ways of working, interacting and living
- **Data usage to double** every 2-3 years

2

- **As market leader**, EuroTeleSites is **poised to benefit** from this surging demand for data
- This will drive **expected 4-6% revenue growth p.a.**

3

- EuroTeleSites is **already highly profitable** with a 2022PF EBITDAaL margin of 55%⁽¹⁾
- **Growth and further improvements in profitability** expected to **drive shareholder value from Day 1**

4

- **Favourable economics, revenue visibility**, attractive and expanding margins, and **growing cash conversion underpinned by a stable model**
- Growing cashflows present an opportunity for **dividend payments** in the foreseeable future

5

- Long-term agreements with **A1, an anchor tenant of the highest quality**
- **Full support of two strong shareholders**

Q & A



EuroTeleSites



Thank You

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